

Executive Registry
77-7176

25X1

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*filed N-24*

OLC 77-1404  
11 April 1977

MEMORANDUM FOR: 

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Executive Assistant to the Director

25X1

FROM : 

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Assistant Legislative Counsel

SUBJECT : Senate Select Committee on Intelligence Handling  
of Committee Transcripts

REFERENCE : 10 March 1977 Memoranda Number 

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25X1

1. The 10 March 1977 memorandum (copy attached) contains some errors regarding handling of Senate Select Committee on Intelligence transcripts. I want to insure that you are aware of the correct procedures.

2. The Senate Select Committee makes three copies of each transcript: two are kept as Committee records, the third is provided to the principal witness. Although the witness may retain the copy, the Committee is careful to assert that all copies remain Committee property. Most importantly, Committee rules prohibit further copying or distribution of the copy provided the principal witness.

3. I have attached a copy of the most recent Committee rules regarding transcripts.

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25X1

Attachments:  
As Stated

*C-38.2*  
( )

DANIEL K. INOUE, HAWAII, CHAIRMAN  
BARRY GOLDWATER, ARIZ., VICE CHAIRMAN

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MICHAEL J. MADIGAN, MINORITY COUNSEL

Approved For Release 2004/03/23 : CIA-RDP80M00165A000600140007-7

## United States Senate

SELECT COMMITTEE ON INTELLIGENCE

(PURSUANT TO S. RES. 400, 91ST CONGRESS)

WASHINGTON, D.C. 20510

March 17, 1977

### MEMORANDUM

TO : Select Committee Staff

FROM : Clerk of the Committee

SUBJECT : Transcripts of Committee Hearings or Interviews

This memo is for your information in case you are queried about availability of a transcript.

All transcripts, and all copies thereof, are Committee property. In accord with S. Res. 400 and Committee rules, witnesses who are not employed in a government agency or unit which provides suitable security facilities for classified documents may review their testimony before closed hearings of the Committee only on Committee premises.

*8.7 Inspection and Correction.*—All witnesses testifying before the Committee shall be given a reasonable opportunity to inspect, in the office of the Committee, the transcript of their testimony to determine whether such testimony was correctly transcribed. The witness may be accompanied by counsel. Any corrections the witness desires to make in the transcript shall be submitted in writing to the Committee within five days from the date when the transcript was made available to the witness. Corrections shall be limited to grammar and minor editing, and may not be made to change the substance of the testimony. Any questions arising with respect to such corrections shall be decided by the Chairman. Upon request, those parts of testimony given by a witness in executive session which are subsequently quoted or made part of a public record shall be made available to that witness at his expense.

An agency witness who by virtue of his position can provide appropriately secure storage may be provided with a copy of his own testimony if he so requests. When provided the witness should be made to understand that the copy of the transcript is for his own use only, may not be disseminated to anyone else, or reproduced without the authority of the Committee.

Whenever an agency witness is provided with a copy of his portion of a transcript it must be wrapped and receipted in the same manner as any classified document.

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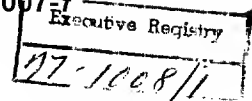
Approved For Release 2004/03/23 : CIA-RDP80M00165A000600140007-7

STAT

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CONFIDENTIAL

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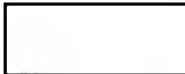


11 April 1977

NOTE FOR: The Director

The only thing Inouye has asked me for and which has been provided to him and Bill Miller is the attached unclassified statement on Covert Action. I showed you the attached at an earlier date and on 10 March you responded with a few ideas as to how the paper could be improved. We made the changes and I handed it to Bill Miller on 21 March.

I asked Bill the other day whether it had proved useful. His response was not entirely clear-cut and I had the feeling that the Committee may consider our paper a bit too advocative. No one has talked to me about "ELINT", analysis and various other functions."

  
E. H. Knoche

25X1

Attachment:  
3/21/77, Covert Action  
in Perspective

cc : OLC

Distribution:

Orig - The Director w/att  
1 - OLC wo/att  
① - ER wo/att  
2 - DDCI w/att

DDCI:rrh  4/12/77

C-38.2

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Next 28 Page(s) In Document Exempt

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The Director  
Central Intelligence Agency

Approved For Release 2004/03/23 : CIA-RDP80M00165A000600140007-7

Washington, D.C. 20505

OLC 77-0523/a

Executive Registry

77-448/A

7 APR 1977

Honorable Daniel K. Inouye, Chairman  
Select Committee on Intelligence  
United States Senate  
Washington, D.C. 20510

Honorable Barry Goldwater, Vice Chairman  
Select Committee on Intelligence  
United States Senate  
Washington, D.C. 20510

Dear Sirs:

In the Committee's letter of 4 February 1977, you requested information concerning the conflict of interest provisions applicable to employees of United States intelligence agencies. I understand that the Defense Department and State Department have received similar inquiries, and therefore my response is principally concerned with the Central Intelligence Agency.

Each employee of the Executive Branch, including intelligence agency employees, is subject to the rules of conduct and financial disclosure requirements established by statute, Executive Order, and applicable Government directive. Any employee who violates these rules of conduct might be subject to criminal prosecution pursuant to 18 U.S.C. Section 201 et seq., and also subject to disciplinary action, including official reprimand, probation, suspension, or separation.

In addition, Executive Order 11222 authorizes the head of each agency to issue regulations implementing the provisions of the Order and to structure these regulations as may be necessary and appropriate in view of the nature of that agency's work and the duties and responsibilities of its employees. The pertinent regulations of the Central Intelligence Agency are promulgated pursuant to this authorization and in accordance with conflict of interest requirements that operate Government-wide. An extract of Executive Order 11222 and our Agency regulations on employee conduct are enclosed for your information.

25X1

C-38.2

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You will note that CIA regulation [ ] requires financial statements to be filed by more categories of employees than called for in Executive Order 11222, and Civil Service regulations. Employees at the GS-13 or above level must file statements if they are involved in administering subsidies or grants, regulating or auditing private or other non-Federal enterprises or other activities where the decision or action has an economic impact on the interests of any non-Federal enterprise.

25X

In addition, paragraph (2)(b) of [ ] provides that the Director of Central Intelligence may authorize an employee to enter into an apparent, but never an actual, conflict of interest for cover or operational reasons. Such a decision must be based upon a statement of justification from the head of the employee's Directorate and a determination by the General Counsel that the conflict of interest is apparent only. The Inspector General will also receive an information copy of the report from the employee's Directorate and the General Counsel.

25X

I trust this is responsive to your interest.

Yours sincerely,

/s/ Stansfield Turner

STANSFIELD TURNER  
Admiral, U.S. Navy

Enclosures  
As stated

Distribution:

Orig - Addressee, w/encls

1 - DCI, w/o encls

1 - DDCI, w/o encls

✓ 1 - ER, w/o encls

1 - OGC, [ ]

1 - OLC Subject

1 - OLC Chrono

OLC:RJK:sf (23 Mar 77)

Retyped: OLC:LLM:sm (25 Mar 77)

# EXECUTIVE SECRETARIAT

## Routing Slip

TO:		ACTION	INFO	DATE	INITIAL
1	O/DCI		X		
2	A/DCI		X		
3	D/DCI/IC		X		
4	DDS&T		X		
5	DDI		X		
6	DDA		X		
7	DDO				
8	D/DCI/NI				
9	GC		X		
10	LC	X			
11	IG				
12	Compt				
13	D/Pers				
14	D/S				
15	DTR				
16	Asst/DCI		X		
17	AO/DCI				
18	C/IPS				
19	DCI/SS				
20	D/EE0				
21					
22					
SUSPENSE				21 Feb 77	

### Remarks:

Took 10 days for this to get here! Please develop response.

14 Feb 77

Date

3637 (7-76)

25X1

EX-100  
C-38.2



DANIEL K. INOUE, HAWAII, CHAIRMAN  
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## United States Senate

### SELECT COMMITTEE ON INTELLIGENCE

(PURSUANT TO S. RES. 400, 94TH CONGRESS)

WASHINGTON, D.C. 20510

February 4, 1977

Executive Registry

77-448

*rec'd 14 Feb 77*

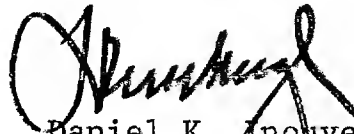
IN REPLY PLEASE  
REFER TO R#6490

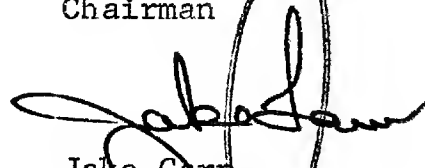
Mr. E. Henry Knoche  
Acting Director of Central Intelligence  
Central Intelligence Agency  
Washington, D. C. 20505

Dear Mr. Knoche:

Questions have been raised recently in the press (see attached article) about the applicability of conflict of interest provisions in the executive branch to employees of United States intelligence agencies. The Select Committee on Intelligence would very much appreciate a description of the conflict of interest provisions which apply to employees of intelligence agencies under your cognizance and the differences, if any, between these provisions and those applicable to less sensitive government agencies!

Aloha,

  
Daniel K. Inouye  
Chairman

  
Jake Garn  
Vice Chairman

Enclosure

THE WASHINGTON POST

Saturday, January 29, 1977

D39

*Jack Anderson and Les Whitten*

# The Hush-Hush Spy Satellite Trade

Our most hush-hush intelligence agency is the National Reconnaissance Office, which operates America's spy satellites. The strict secrecy, however, has provided the NRO's policymakers with a convenient cover for hiding conflicts of interest.

Our sources estimate that the NRO spends at least \$1.5 billion a year. Huge secret contracts are handed out to fortunate, favored companies. Because the spy-in-the-sky technology cannot be revealed, the contracting process is hidden from the public.

But we can report a few interesting facts, which have nothing to do with military security:

The NRO draws its top policymakers from the White House, Pentagon and Central Intelligence Agency. One seat on the policy board, for example, is assigned to the under secretary of the Air Force. In 1973 this sensitive seat went to James Plummer, who came to the Air Force from Lockheed Corp.

At Lockheed he had been in charge of developing spy satellites. He had an 18-year-record of loyalty to the corporation. Then overnight he was in a position to help determine who would get the juicy satellite contracts.

This was an obvious conflict of interest, which was taken up quietly with Senate Armed Services Committee Chairman John Stennis (D-Miss.). He is known inside the Senate as "The Whitewasher."

In a letter to Stennis, Plummer pledged that he had agreed "to serve as under secretary for 3½ years minimum." He added solemnly: "I have no agreement, express or implied, with Lockheed and no understanding respecting re-employment." He later re-

peated both pledges under oath.

Yet last June, Plummer notified his superiors in the Pentagon that he was quitting, although he had served only 2½ years. He returned to the Lockheed payroll as vice president in charge of the corporation's Missiles and Space Co. in Sunnyvale, Calif.

While Plummer was riding the merry-go-round between the Pentagon and Lockheed, the corporation was the nation's top spy satellite contractor.

Another passenger on the merry-go-round was Albert Hall, who started out with Martin Marietta from 1968 to 1963. He moved into the Pentagon for the next two years, then back to Martin Marietta from 1965 to 1971. Finally, he returned to the Pentagon again as assistant defense secretary in charge of intelligence.

This position gives Hall a seat on NRO's policy board where he, too, has influence over the spy satellite program. Martin Marietta, it turns out, builds booster rockets for spy satellites.

Footnote: A Defense Department spokesman said all military contracts are awarded according to law, but refused to respond to specific questions about the reconnaissance contracts.

Plummer was asked to remain at his post, according to the Pentagon, in the interest of continuity. Safeguards were taken to avoid any conflicts of interest, Pentagon officials said. Plummer and Hall denied any conflicts; both insisted they were not involved in contract decisions affecting their former companies.

Plummer said he left the Pentagon early to return to Lockheed for "personal" reasons. Hall, now an Air Force

consultant, acknowledged collecting huge termination payments from Martin Marietta while on the Pentagon payroll but said this was perfectly proper.

**Soviet Martyr**—The Soviet prison system is developing another Soviet martyr. His name is Hillel Butman, a Jew who had heard about an attempt to hijack an Aeroflot airliner but was not involved in the plot.

He was arrested anyway, his friends tell us, because he was acquainted with the conspirators and was an active Zionist. Before the Soviet secret police finished with him, he had been sentenced to ten years in the bleak Soviet penal system.

It takes courage to speak out against his jailers, who can make his life unbearable. But, like Alexander Solzhenitsyn before him, Hillel Butman has dared to defy his oppressors.

He has written a tongue-in-cheek letter to his warden—chief of the Perm Soviet labor camp. The unpublished letter reverses roles, elevating Butman to prison chief and placing the chief in one of Perm's cells.

Butman praises the prison harassment, such as the six daily roll calls the prisoners must endure.

For his insubordination, Butman probably will be shipped to Vladimir prison, the disciplinary camp where prisoners are kept on a hunger diet, with little heat, no running water and no respite from the 24-hour, overhead electric light.

We in America, in our Lilliputian practicality and historic good fortune, have evolved a free press to undertake the role that in a tyranny falls to the lonely hero.

CASEY

By Charles Rodrigues

OGC 77-2192

Executive Registry
77-816/A

7 APR 1977

OLC 77-1216

Mr. Elliot E. Maxwell  
Select Committee on Intelligence  
Staff  
United States Senate  
Washington, D.C. 20510

Dear Mr. Maxwell:

I have received the copy of an amended version of S. 3197 which you forwarded on 25 March.

As you are aware, the Executive branch currently is reviewing legislation of this nature. The Department of Justice is coordinating this effort and CIA, as well as other elements of the intelligence community, is participating in this review. Pending the completion of the review, I feel that any comments that I might make would be premature. I suggest that Mr. Eliff might approach the Department of Justice with any questions he may have with respect to this draft but would have no objection to representatives of our Office of Legislative Counsel meeting informally with him.

Sincerely,

/s/ E. H. Knoche

E. H. Knoche  
Deputy Director

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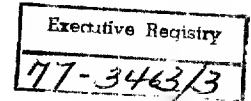
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- 1 - OLC Subject
- 1 - OLC Chrono
- 1 - OGC

OLC:JEC:hms retyped 4 April 1977



THE DIRECTOR OF CENTRAL INTELLIGENCE  
WASHINGTON, D. C. 20505



7 APR 1977

Honorable Daniel K. Inouye, Chairman  
Select Committee on Intelligence  
United States Senate  
Washington, D.C. 20510

Dear Mr. Chairman:

Candid and confidential communication between this Agency and the Congress is absolutely essential if this Agency is to meet its responsibilities to the Congress and if the Congress is to meet its responsibilities to the American people for legislative oversight. The Freedom of Information Act now threatens to disrupt this communication and impede the progress we have made in building a relationship of mutual trust.

As you are aware, the Freedom of Information Act provides that records held by Executive departments of the Government are available to the public unless a particular record falls within a specific exemption. Although specific information which is properly classified or which reveals intelligence sources and methods is exempted from disclosure, and although congressional documents are not reachable under the Act, there is no generic exemption for documents in the possession of Executive agencies which concern congressional matters, including confidential communications between representatives of the Executive departments and agencies and the Congress.

Recent FOIA requests have sought to reach documents and memoranda in our possession bearing on congressional matters. These requests raise a question whether such information may be obtained indirectly through an Executive agency when they may not be obtained directly from Congress. In one recent lawsuit, part of the information sought was a memorandum of conversation with a Member of Congress. The release of this memorandum placed into the public domain confidential communications with a Member of Congress on a matter which, while not classified from a security standpoint, did involve some sensitivity.

My Legislative Counsel is responsible for all liaison with the Congress, and as such maintains records on Agency and Intelligence Community relations with Congress. We treat these records as strictly confidential. In the face of these FOIA requests, we have and will continue to assert every legal right and defense to protect these records. However, in light of current lawsuits, we cannot be confident of our continued ability to maintain their confidentiality.

As Chairman of the intelligence oversight Committee, I feel you should be aware of the impact that this legislation is having on the Intelligence Community, especially the Central Intelligence Agency. We would, of course, be pleased to discuss this matter in greater detail with the Committee.

Yours sincerely,

**7r/ Stansfield Turner**

STANSFIELD TURNER  
Admiral, U.S. Navy

Distribution:

Orig - Addressee

1 - DCI

1 - DDCI

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1 - OGC

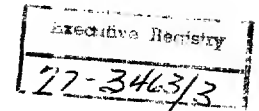
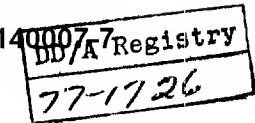
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OLC:WPB:sm (23 Mar 77)

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THE DIRECTOR OF CENTRAL INTELLIGENCE  
WASHINGTON, D. C. 20505



7 APR 1977

Honorable Melvin Price, Chairman  
Subcommittee on Intelligence and Military  
Application of Nuclear Energy  
Committee on Armed Services  
House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

Candid and confidential communication between this Agency and the Congress is absolutely essential if this Agency is to meet its responsibilities to the Congress and if the Congress is to meet its responsibilities to the American people for legislative oversight. The Freedom of Information Act now threatens to disrupt this communication and impede the progress we have made in building a relationship of mutual trust.

As you are aware, the Freedom of Information Act provides that records held by Executive departments of the Government are available to the public unless a particular record falls within a specific exemption. Although specific information which is properly classified or which reveals intelligence sources and methods is exempted from disclosure, and although congressional documents are not reachable under the Act, there is no generic exemption for documents in the possession of Executive agencies which concern congressional matters, including confidential communications between representatives of the Executive departments and agencies and the Congress.

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My Legislative Counsel is responsible for all liaison with the Congress, and as such maintains records on Agency and Intelligence Community relations with Congress. We treat these records as strictly confidential. In the face of these FOIA requests, we have and will continue to assert every legal right and defense to protect these records. However, in light of current lawsuits, we cannot be confident of our continued ability to maintain their confidentiality.

As Chairman of the intelligence oversight Subcommittee of the House Armed Services Committee, I feel you should be aware of the impact that this legislation is having on the Intelligence Community, especially the Central Intelligence Agency. We would, of course, be pleased to discuss this matter in greater detail with the Subcommittee.

Yours sincerely,

/s/ Stansfield Turner

STANSFIELD TURNER  
Admiral, U.S. Navy

Distribution:

Orig - Addressee

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INTERNAL  
USE ONLY**PRIORITY**

## ROUTING AND RECORD

SUBJECT: (Optional)

STAT

Form No. 160 (Use Previous Editions)

(13)

FROM:

Legislative Counsel  
6C19 HQ

EXTENSION

NO.

DDA 77-1724

DATE

Executive Registry

APR 1977

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S  
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. OGC  
7D07 HQ

3/25/77

3/15

QQT

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DDA  
7D18 HQ

4 APR 1977

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5. D/DCI/IC  
6E2914 HQ

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Attached for your signature are letters to the Chairmen of our legislative oversight Committees bringing to their attention problems arising from conflicts between the Freedom of Information Act and the confidentiality of our communications with the Congress. Records of these communications are being subjected to requests for disclosure in FOIA suits. I believe this is a proper concern to raise with our oversight Committees.

As explained in the attached memorandum to the DDCI, the problem identified in these two letters is part of our larger concern over the FOIA generally. In the interests of bringing at least the congressional communications aspect of the problem to the Committees' attention however, I recommend you sign these letters at this time.

The letters have been fully coordinated with OGC and DDA.

Acting Legislative Counsel

STAT

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